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The Director of Central Intelligence

Washington, D.C. 20505

NIC-01390-87
22 April 1987

Senior Review Panel

MEMORANDUM FOR: Acting Director of Central Intelligence
Chairman, National Intelligence Council
NIO for Latin America

SUBJECT: Senior Review Panel Comments on Draft
Concept Paper and Terms of Reference (TOR)
for Memorandum to Holders (M/H) of
NIE 97-84: Peru: Economic and Political
Prospects, internally dated 16 April 1987

1. We consider the papers to be generally comprehensive in scope and well-focused on the key issues. The November 1984 NIE emphasized the current political scene, the chronic problems facing Belaunde's government, APRA's April 1985 electoral prospects and likely policies of a new APRA government, assuming it won. In view of the pre-electoral nature of the NIE, we agree with the general thrust of the papers that not only look ahead but also assesses changes that have occurred in Peru during the first two years of the Garcia government. We believe the paper would benefit from a somewhat stronger emphasis on a review of the Garcia government's past performance and challenges as the setting for the estimate that follows. In particular, we would like to see a stronger emphasis on the effect of President Garcia's policies--domestic and foreign--on US interests in a stable, friendly and cooperative Peru. We also note that the TOR tends to concentrate attention on Garcia--who undoubtedly has made his imprint on Peru's policies and political climate--but wonder if this personalist approach does not distract attention from the other forces at work shaping Peru's economic and political prospects. Beyond these general observations, we have several supplementary comments.

2. Political Balance and Center-Right. We suspect there will be readers interested in having a general overview of the evolving political balance during the Garcia government, and into the future. The TOR focuses on the APRA party, the United Left, and Sendero Luminoso. A more complete picture requires some treatment of the center-right parties (Popular Action and Popular Christian parties). Popular Action reached a low point of popular support in 1985. Has it shown any signs of recovering

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since then? Can the center-right be considered an alternative in the next several years and beyond? Or has the political spectrum under Garcia shifted solidly to the left? Is Garcia paving the way for a radical leftist regime next time around?

3. Sendero Luminoso. This topic is well-explored in the TOR. We suggest that a number of related questions be addressed. Are there any indications of the Sendero Luminoso's leadership breaking out of its rigid Maoist ideology, and ending its isolation by seeking, for example, a broader alliance with radical leftist forces? Has there been any dialogue or cooperation between radical Marxists and the Sendero Luminoso? Is such a development feasible? Conceivable?

4. US-Peruvian Relations. Policy level readers will want to know what are the prospects for an improvement or worsening of Peru's relations with the US during the next several years. How has Garcia managed relations with the United States so far, what hostile and cooperative actions has he taken, and what is his perception of US policies toward Peru, and other major issues? We think this important topic merits a separate section.

5. Soviet-Peruvian Ties. The text (Section III, B, tick 1) poses the question: "Are the Soviets likely to gain additional influence under Garcia?" An important one. But we believe many readers also would like to have a retrospective that concerns itself with what influence, if any, the USSR has already acquired (especially in the military sphere) during the first two years of the Garcia government.

6. Technical Note: Extremist Groups Under Garcia. Under proposed tables is listed: "Profile of Extremist Groups." We think the profile should include information which highlights trends under the Garcia government: manpower, sources of supply and support, arms used, tactics, terrorist incidents, areas of control, casualties and the like for the Sendero Luminoso, and, if possible, Tupac Amaru.



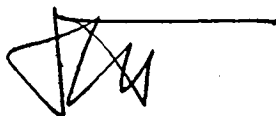
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